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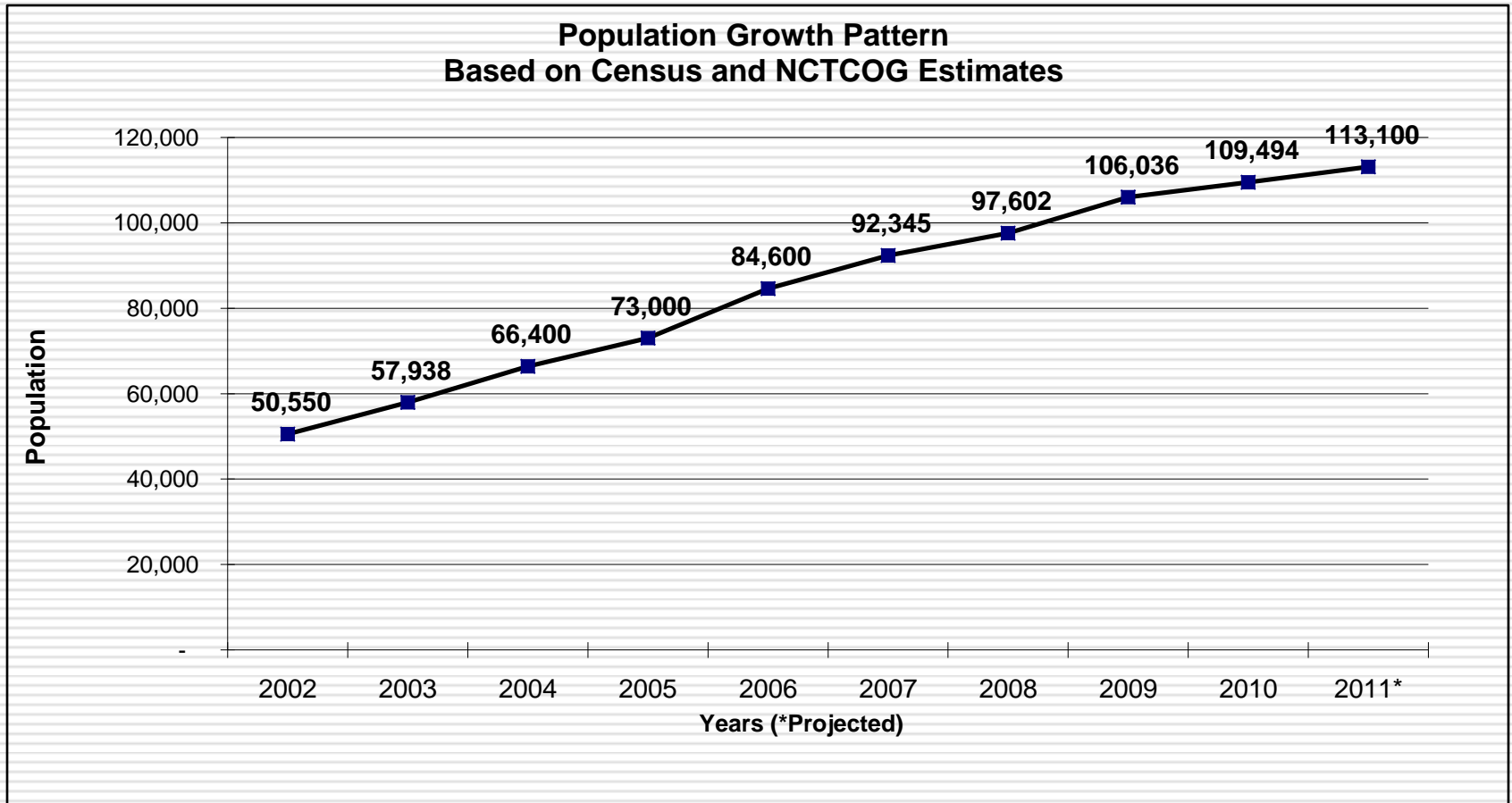
# City of Frisco Town Hall Meeting

## FY2011 Proposed Budget

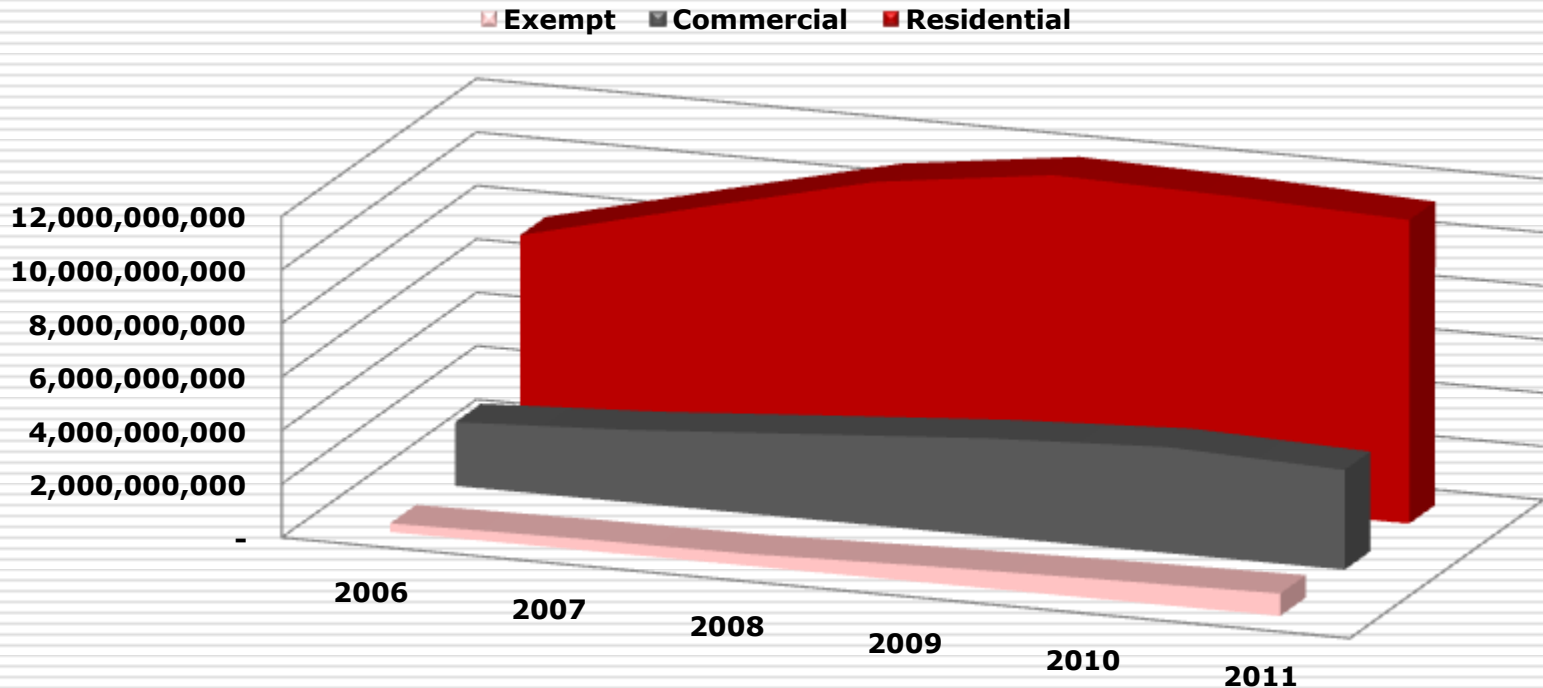
August 30, 2010  
George A. Purefoy Municipal Center  
6101 Frisco Square Blvd.  
Council Chambers

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# Population Continues to Grow



# Property Value History



	2006	2007	2008	2009	2010	2011
Exempt	324,830,389	410,992,115	441,990,435	614,719,304	738,905,807	836,237,322
Commercial	2,384,465,013	2,713,416,184	3,190,258,209	3,656,613,179	3,958,338,167	3,728,687,999
Residential	7,656,984,510	9,309,457,032	10,901,266,017	11,776,326,822	11,614,956,281	11,350,695,209

# Residential vs. Commercial Value

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- ❑ Commercial value is 23.4% of the total assessed value - \$3.728 billion, down from 24.27% or \$3.958 billion.
  - ❑ Residential value is 71.3% of the total assessed value - \$11.35 billion, down slightly from \$11.8 billion
  - ❑ Exempt value is 5.25% of the total assessed value - \$836 million, a slight increase over \$738 prior year
-

# Certified Taxable Value

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FY10 Total Assessed Value	\$13,958,027,112
Decreased Value to Existing Properties	(\$606,899,373)
New Improvements	\$309,777,235
<b>FY11 Total Assessed Value</b>	<b>\$13,660,904,974</b>

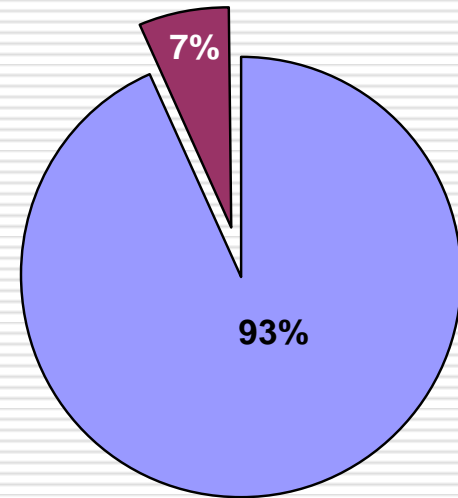
- 4.3% decrease
  - 2.2% increase
  - Net 2.13% decrease
-

# Certified Taxable Value

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Total Taxable Value	\$13,660,904,974
TIRZ Captured Value	\$900,065,473
<b>Net Taxable Value</b>	<b>\$12,760,839,501</b>

FY11 Net Value Minus TIRZ#1  
\$12,760,839,501



■ FY11 Net Value ■ FY11 TIF Value

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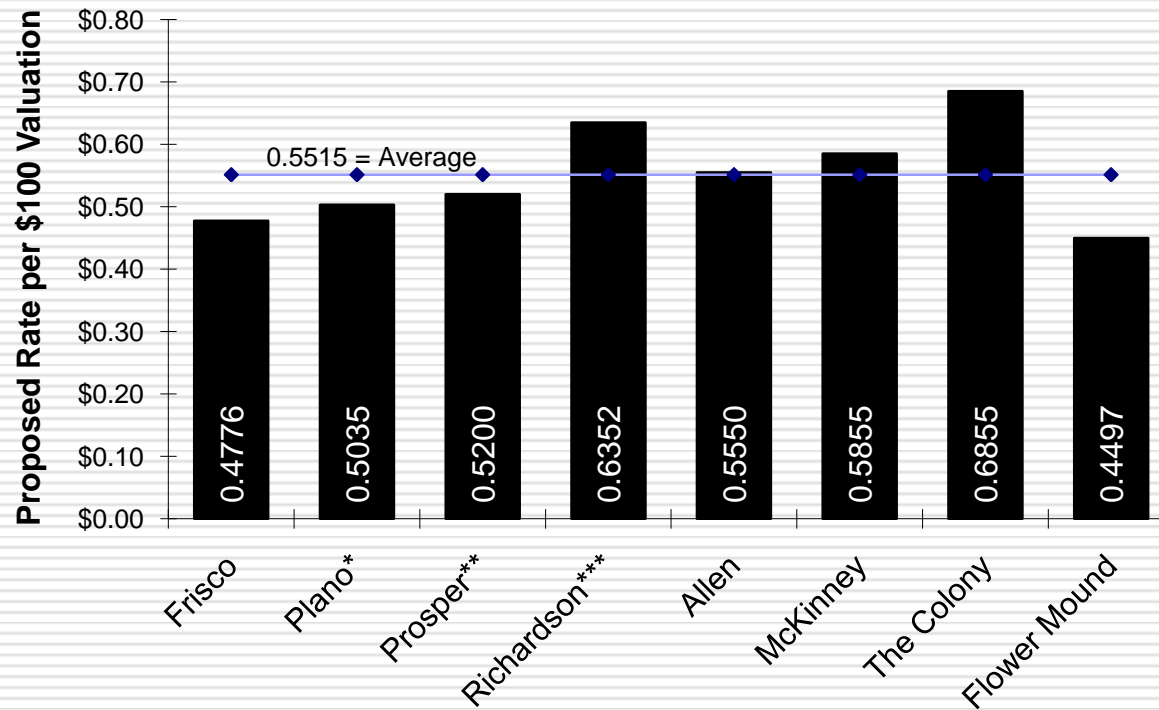
# Average Home Value

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- ❑ 2010 Average Home Value was \$291,330
  - ❑ 2011 Average Home Value was \$286,599
  - ❑ This is a decrease of 1.6%
  - ❑ Taxes on the 2010 average value at \$0.465 would be \$1,354
  - ❑ Taxes on the 2011 average value at \$0.465 would be \$1,332
  - ❑ Taxes on the 2011 average value at \$0.4776 would be \$1,369
-

# Tax Rate Comparison

Tax Rate Comparison - Surrounding Cities



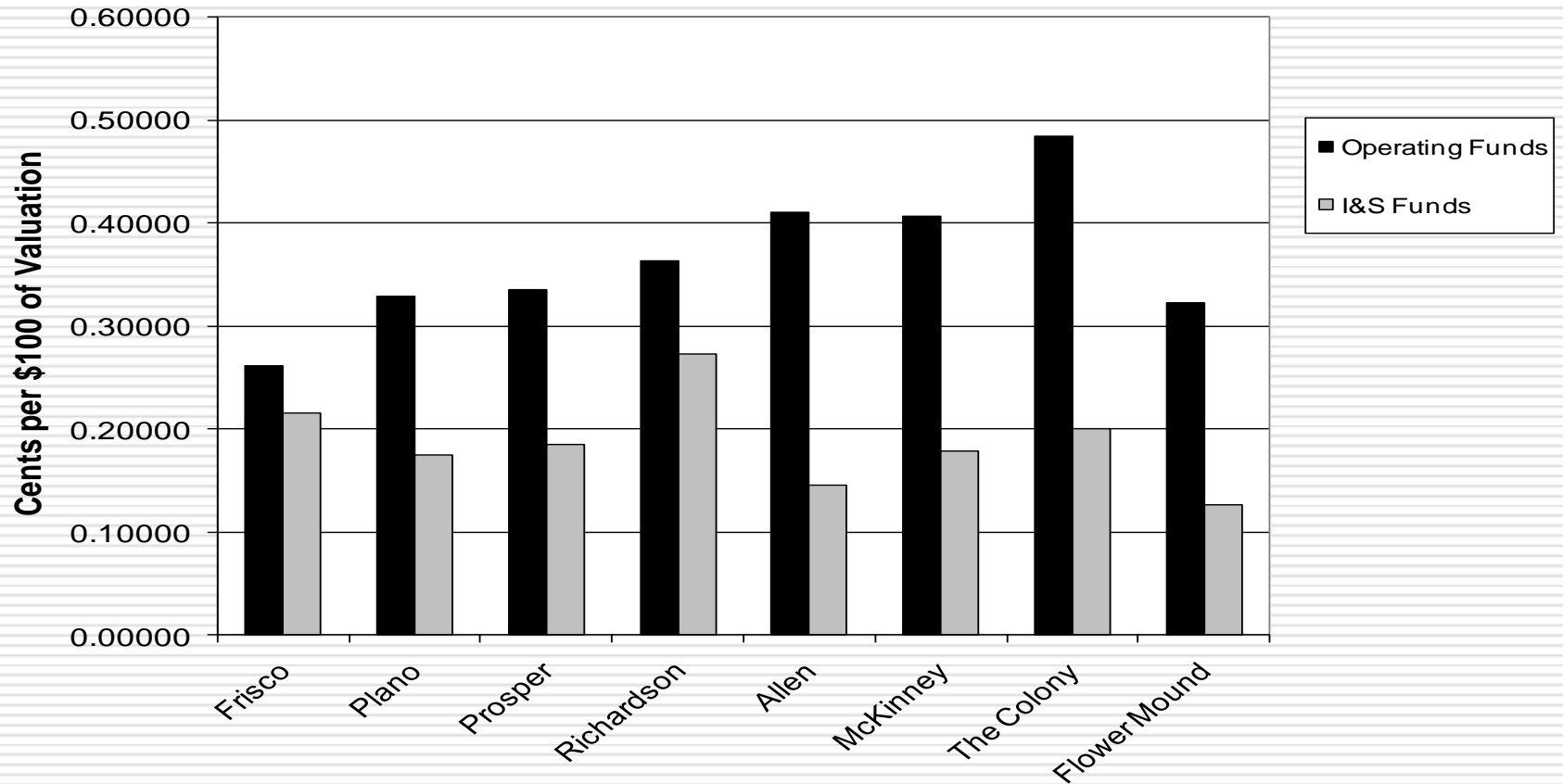
All rates are FY11 Proposed

•Plano grants homestead exemption

\*\* Has a ½ % sales tax for property tax relief



# Property Tax Rates for Selected Cities



# Property Tax Rates

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Current M&O Rate = .261882

**Debt Rate = .203118**

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Current Tax Rate = .465000

Proposed M&O Rate = .261811

**Debt Rate = .215789**

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**Proposed Tax Rate = .477600**

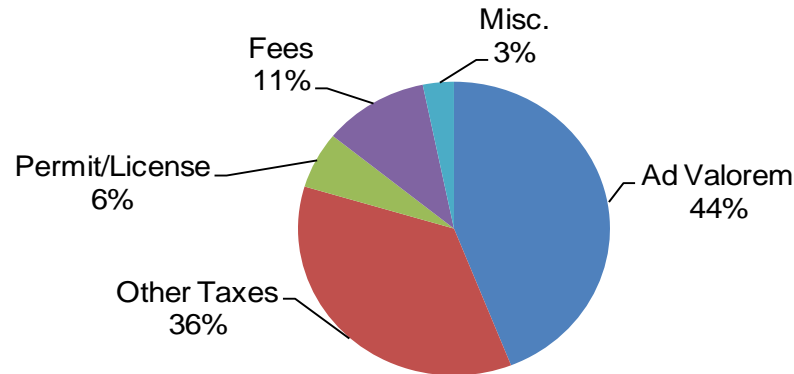
**Proposed Rate Increase of: .0126**

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# General Fund Revenues

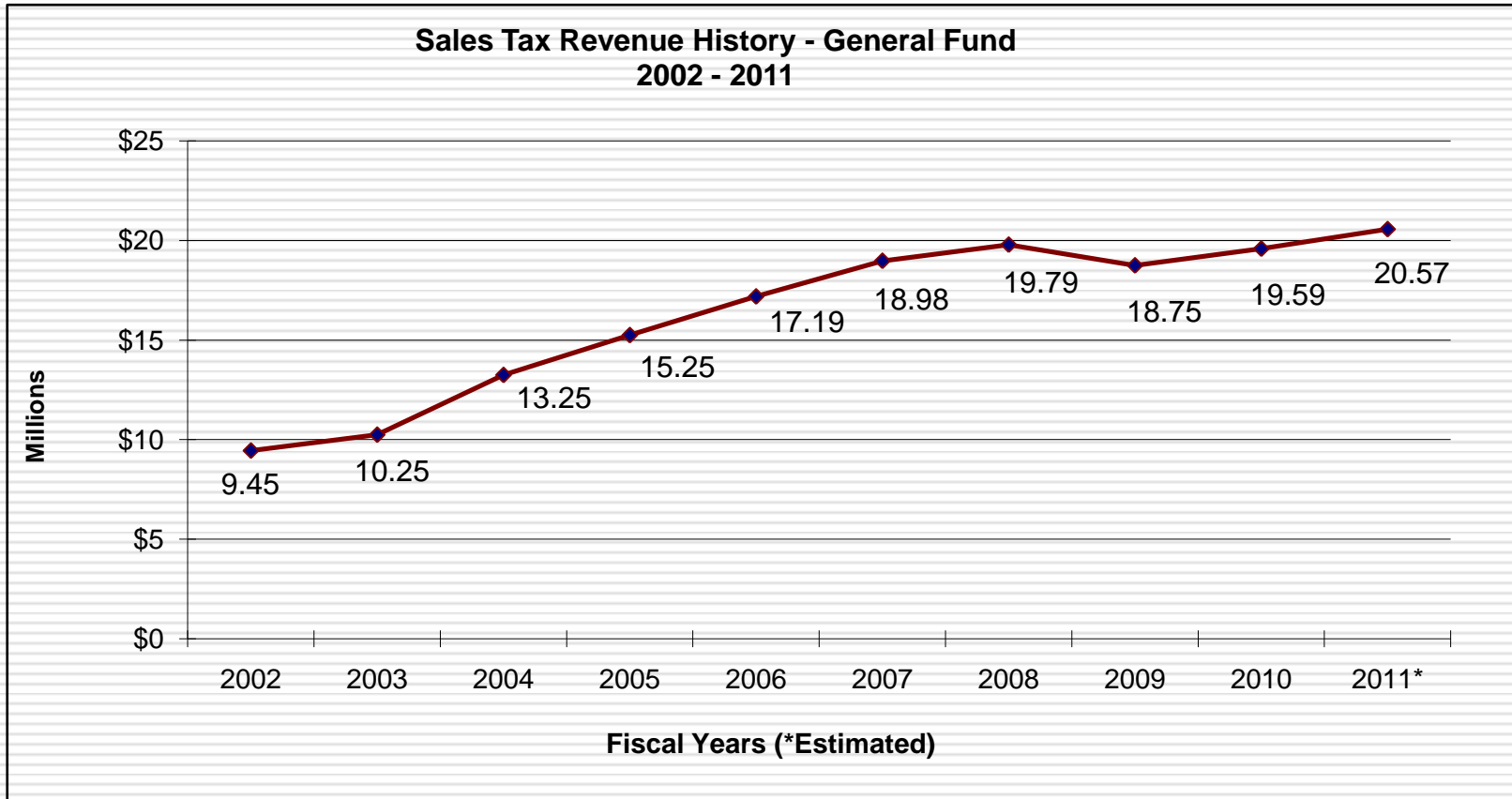
Revenues	Actual FY07	Actual FY08	Actual FY09	Revised FY10	Proposed FY11
Ad Valorem	23,145,454	28,266,770	31,351,386	34,587,152	33,889,736
Other Taxes	25,374,889	27,116,402	26,151,683	26,925,905	28,017,780
Permits/Licenses	7,427,938	6,397,074	3,979,670	4,894,000	4,903,280
Fees	3,603,523	7,672,395	8,699,189	8,127,945	8,604,733
Miscellaneous Revenue	3,526,797	3,057,362	2,677,827	2,191,894	2,531,950
<b>Total</b>	<b>63,078,602</b>	<b>72,510,004</b>	<b>72,859,755</b>	<b>76,726,896</b>	<b>77,947,479</b>

**General Fund Revenue by Source  
Fiscal Year 2011**



# General Fund Revenues

## Sales Taxes

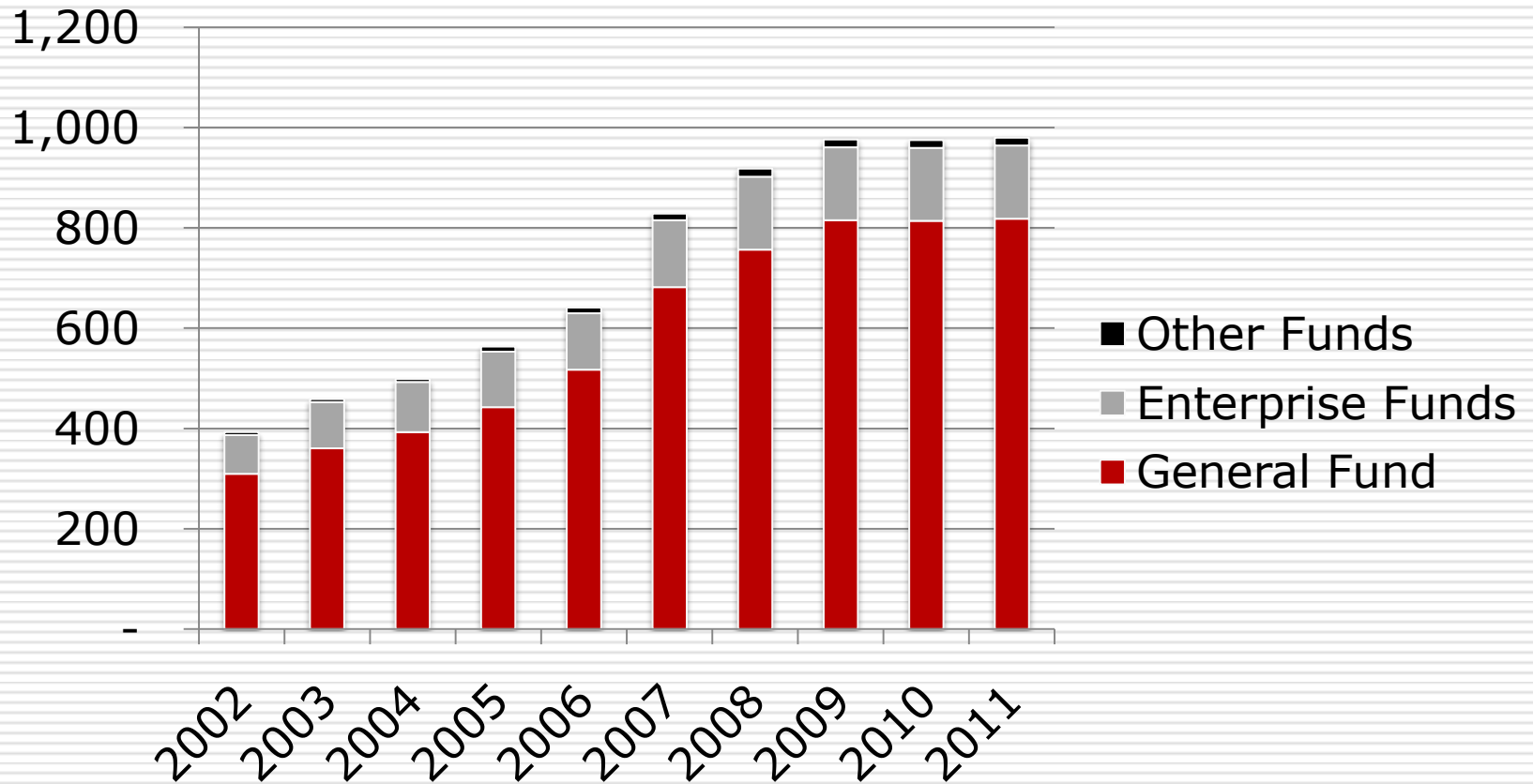


# General Fund Revenues

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- ❑ Sales Tax Revenue projected to increase 5% to \$20.5 million.
  - ❑ Revised FY 2010 projection is \$19.6 million.
  - ❑ Year-to-date sales tax revenues are currently 5.1% more than those of the previous year.
  - ❑ Building Permit revenues estimated at \$4.3 million for revised FY10 and projected FY11.
  - ❑ Current assumption is that single family permits will remain between 1,200 and 1,500 annually.
-

# Historical Staffing Levels



# Staffing Levels

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## ☐ Current frozen positions:

- Building Inspectors 3
  - Building Permit Tech 3
  - Interns 2
  - Engineers 2
  - Plans Examiner
  - Maintenance Worker 1
  - Roadway Lighting Tech 1
  - Crew Leader
-

# Compensation Adjustments

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- ☐ There is no funding in the FY11 projections for market adjustments
  - ☐ Funding for a 3% merit-based increase or one step for police and fire personnel that are within their range, is included; police and fire personnel that are topped out will not receive additional compensation (they would normally get a 3% or 6% lump sum payment).
  - ☐ No funding for raises for any other staff.
-



# Cost Cutting Measures (cont.)

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- Minimal capital purchases have been made over the past two years. We have been delaying replacement of some larger pieces of equipment and replacing engines in squad cars.

	Replacement	New
FY 2008	\$1,479,292	\$1,509,850
FY 2009	559,433	342,600
FY 2010	479,310	334,326
FY 2011	1,210,438	256,845

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# General Fund Expenditures

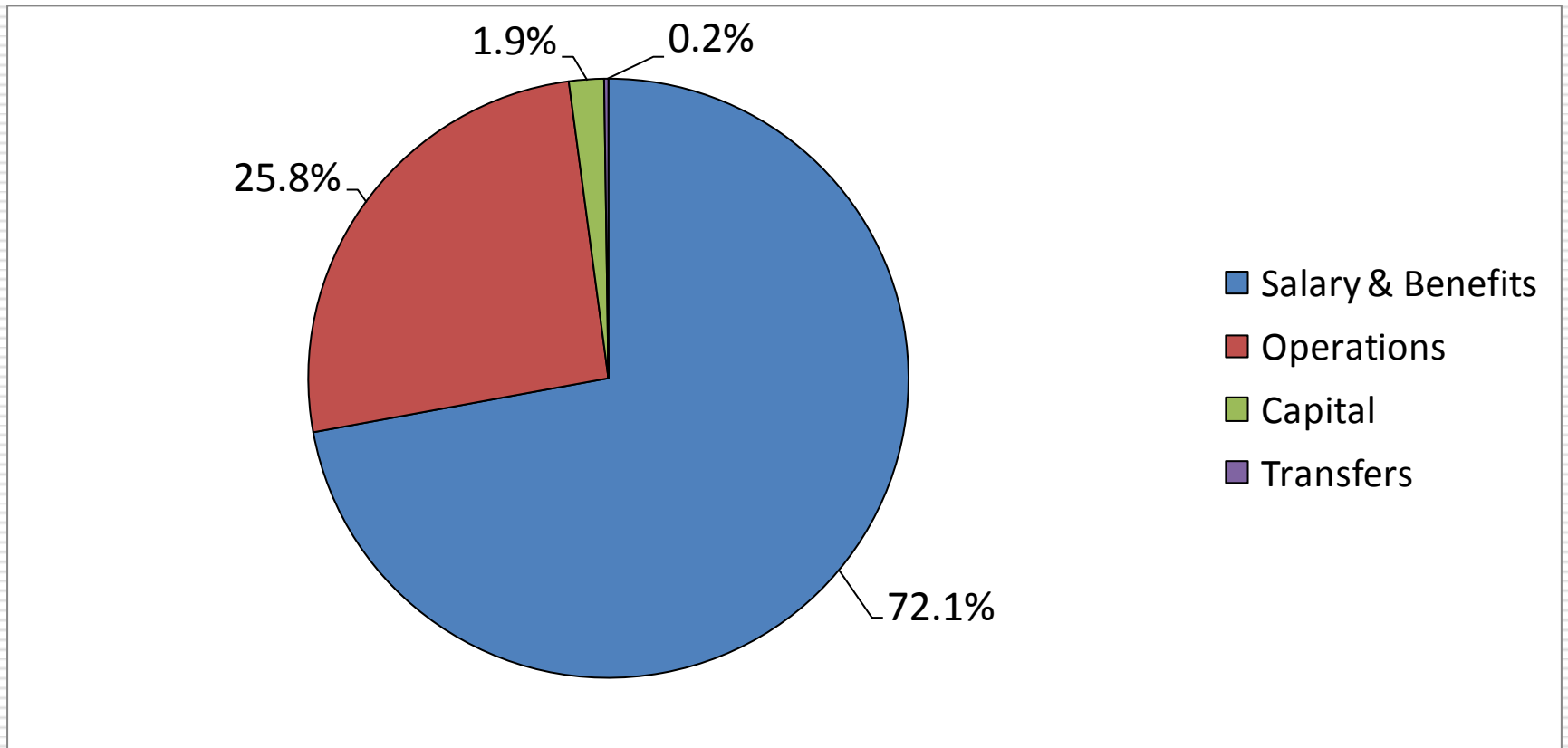
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FY10 Operational Expenditures (Revised)	\$76,731,174
FY11 Operational Expenditures (Proposed)	\$77,945,250
Proposed Change in Operational Expenditures (including capital)	\$1,214,076

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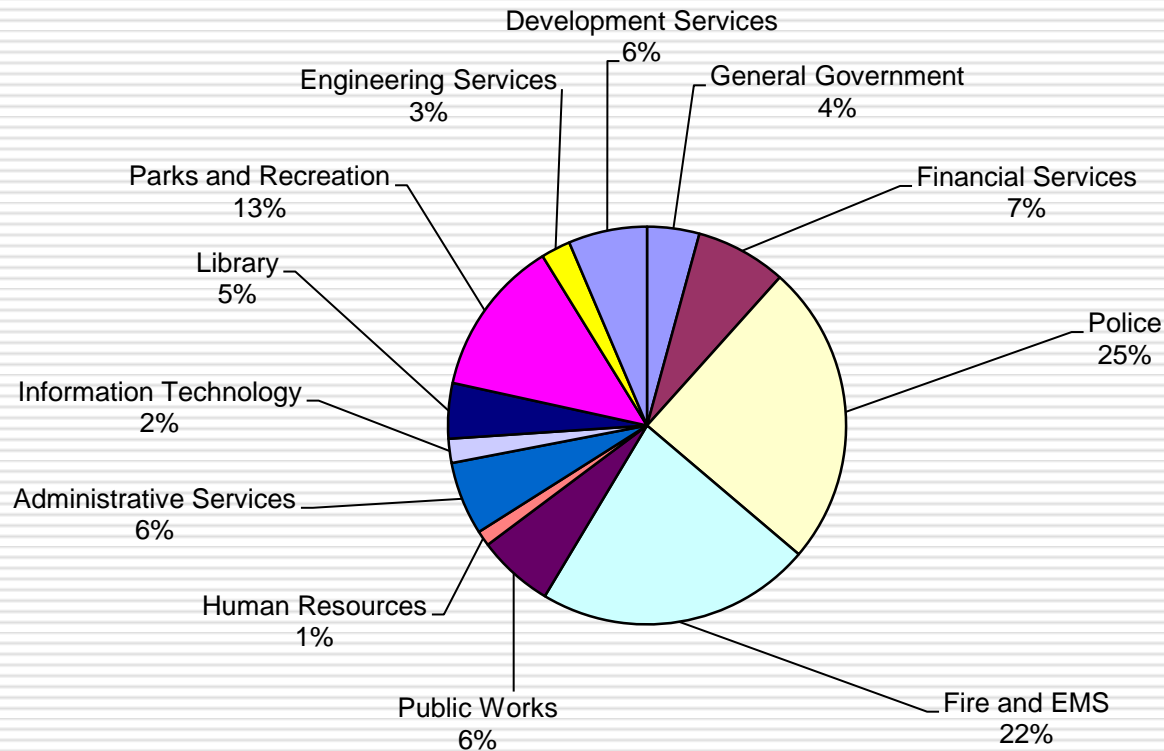
# General Fund Expenditures

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# General Fund Expenditures By Department

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# Strategic Focus Areas

## Long-Term Financial Health

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- ☐ Tax Rate remains competitive and below the level projected at the time of the Bond election.
  - ☐ Fund Balance in General Fund maintained at 25.86%, or 28.93% excluding the 3% contingency (within policy guidelines).
  - ☐ Transfer \$1.9M to the Insurance Reserve Fund.
  - ☐ Increase in funding for annual capital needs are provided for in FY11 (funding is from the reduction in the Section 380 Grant commitment).
  - ☐ Continued adjustment of budgets to meet revenue expectations.
-

# Strategic Focus Areas

## Public Health & Safety

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- ☐ 4 additional Police SRO positions proposed
  - ☐ Network switch replacement for EOC
  - ☐ Signalized intersection upgrades, pavement markings and street signage improvements
  - ☐ Water and wastewater system improvements
  - ☐ Replacement vehicles for Public Safety
  - ☐ Grant funding for a new automated fingerprint ID System
-

# Strategic Focus Areas

## Excellence in City Government

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- ☐ Limited continuation of the merit pay system – approximately \$355,000 for police officers and firefighters.
  - ☐ Funding of consultant for transition to self-insurance of City Employee Health benefits.
  - ☐ Capital funding for City Communications operations (funded from state required cable fees)
  - ☐ Review of Utility Billing e-billing
  - ☐ Upgrade/replacement of IT equipment
-

# Strategic Focus Areas

## Sustainable City

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- ❑ Continued funding - \$1 per capita for social service organizations (\$109,000).
  - ❑ Funding of Downtown Coordination activities – provided from lease revenue from the City buildings downtown.
  - ❑ Funding of Stormwater Management program
  - ❑ Funding of Convention and Visitor Bureau initiatives
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# Strategic Focus Areas

## Infrastructure

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- ☐ Continue progress on capital projects prioritized by Council
  - ☐ Funding for water meter maintenance program
  - ☐ Funding for sidewalk improvements
  - ☐ Initial implementation of Stormwater Fund projects
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# Strategic Focus Areas

## Civic Involvement

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- ❑ Funding for recognition of city volunteers & boards
  - ❑ Continued support for City's Police Academy, Fire Academy and Community Emergency Response Team (CERT)
  - ❑ Continued funding of Teen Court, Library Teen Advisory Board, and Mayor's Youth Council activities
  - ❑ Continuation of City Hall 101 program
  - ❑ Use of volunteers for staffing tours at Safety Town, Heritage Center and Heritage Museum
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# Strategic Focus Areas

## Leisure & Culture

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- ☐ Operation of FAC without General Fund subsidy
  - ☐ Grand Park development planning
  - ☐ Funding for Arts of Collin County - \$92,728
  - ☐ Funding for Frisco Association of the Arts - \$75,000
  - ☐ Funding of Library collection additions - \$465,000
  - ☐ Continued funding for Heritage Center Museum
  - ☐ Funding for facility space-Frisco Discovery Center to include Sci-Tech and the Black Box Theater
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# Utility Fund

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# Utility Fund Revenues

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Revenues	Actual FY07	Actual FY08	Actual FY09	Revised FY10	Proposed FY11
Water	18,815,332	23,738,902	25,860,878	27,533,528	29,286,881
Sewer	9,091,858	9,709,015	11,491,839	13,224,298	15,346,728
Engineering Services	1,989,667	518,195	270,021	205,694	200,000
Other Revenue	1,353,256	2,285,428	1,986,015	5,203,264	2,235,000
Grand Total	31,250,113	36,251,540	39,608,753	46,166,784	47,068,609

- ☐ Consultant is currently finalizing the utility rate model; will bring recommendation to first meeting in September.
  - ☐ Other Revenue includes a transfer in from the Utility Impact Fee Fund for debt service payments of \$2,000,000.
  - ☐ Construction Inspection fees continue to remain low due to the current economic conditions.
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# Utility Fund Expenses

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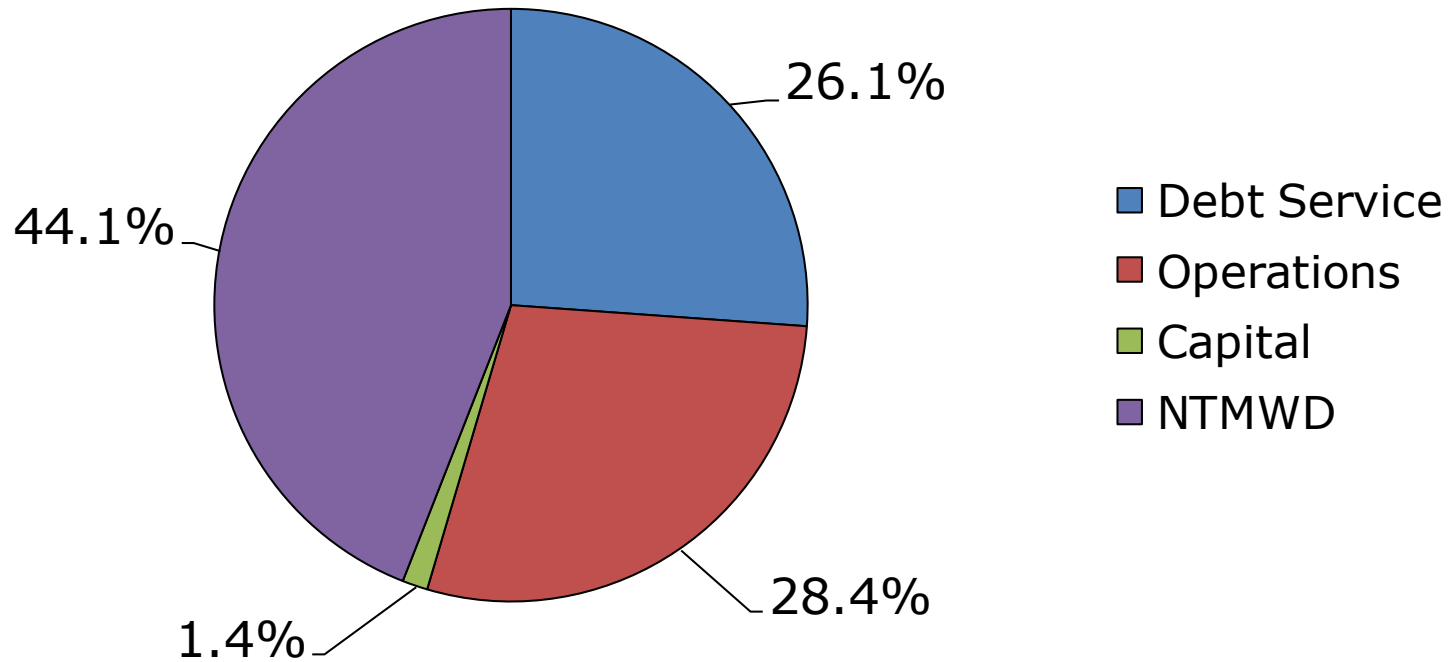
FY10 Operational Expenses (Revised)	\$45,572,736
FY11 Operational Expenses (Proposed)	\$44,816,530
Proposed Change in Operational Expenses	(\$ 756,206)

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# Utility Fund Expenses

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Utility Fund Expenses FY 2011



# Utility Fund

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- ☐ Currently holding frozen positions in all Departments – approximately \$718,000
  - ☐ Increased capital purchases - \$619,858
  - ☐ Cost of water from NTMWD is going from \$1.25 to \$1.37 per 1,000 gallons
  - ☐ Cost of second phase of the Panther Creek Wastewater Treatment Expansion has a one time credit of about \$3 million; this is remaining bond proceeds that can only be used to pay down the debt service.
-



# Utility Fund

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- ❑ The current proposal is based on a proposed rate increase of approximately 5%.
  - ❑ This will add about \$4.50 to the total bill of an average customer.
  - ❑ The one-time credit from NTMWD for the Panther Creek Wastewater Treatment Plant helps to increase the working capital, which has been drawn down the last two years.
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# **Environmental Services Fund**

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# Environmental Services Fund

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	FY 2009 Actual	FY 2010 Revised	FY 2011 Proposed
Revenues	\$9,118,144	\$8,964,422	\$9,254,619
Expenses	\$8,365,859	\$9,381,953	\$9,472,001
Net Income/ (Loss)	\$752,285	(\$417,531)	(\$217,382)

- This Fund currently has a working capital reserve of approximately \$3 million; which equates to 4.5 months of operational expenses.
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# Environmental Services

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- ❑ No residential rate increase is proposed; commercial rates are still being evaluated.
  - ❑ Expenses increase due to:
    - Increased cost for landfill operations
    - contract cost increases (i.e. population growth, fuel cost)
  - ❑ Offsetting the contract cost increase is lower construction related disposal activity.
  - ❑ The NTMWD is estimating a 8.5% increase in disposal cost.
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# Stormwater Fund

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# Stormwater Revenue & Expenses

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	Revised FY2010	Proposed FY2011
Revenues	1,260,500	1,260,500
Expenses	1,080,560	1,301,758

- ❑ New Fund in FY10 with four employees transferred from other funds; one new employee proposed for FY11.
  - ❑ This Fund addresses state mandates concerning the protection of the storm water system.
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# Questions?

City of Frisco Town Hall Meeting  
August 30, 2010  
George A. Purefoy Municipal Center  
6101 Frisco Square Blvd.

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